

For Immediate Release

5-Star Broadband Service for 5-Star InterContinental Grand Stanford Hong Kong

(Hong Kong, 20 June 2011) Hong Kong Broadband Network Limited ("HKBN", a wholly-owned subsidiary of City Telecom (HK) Limited, HKEX: 1137, NASDAQ: CTEL) is pleased announce that the InterContinental Grand Stanford Hong Kong has upgraded to our Fibre-based 1Gbps service, i.e. a leading 5-Star Broadband Service for a leading 5-Star Hotel.

Before the Internet upgrade, the hotel, like many top hotels in Hong Kong, had the modest Internet bandwidth of 25Mbps across the hotel. InterContinental Grand Stanford Hong Kong took the initiative to enlarge its bandwidth to 1Gbps since due to the changes in the hotel guest's usage pattern, and it became an opportunity for the hotel to stand apart from its competition.

InterContinental Grand Stanford Hong Kong's Sunny Li, Director of I.T. said, *"We discovered that the in-room movie viewing was quite popular, but the changing of habits have caused this demand to decline in favor of web surfing and alternative media such as YouTube, online movies, TV, music, drama and news channels. It is therefore essential that we meet guest expectations and the (HKBN) 1Gbps service provides the tools to do that. In contrast to the criticism that we previously received about Internet services, we have achieved positive feedbacks praising the smooth, fast response of our Internet service."*

HKBN's Managing Director of Corporate Division, John Chong, commented on the project: *"Over the last 12 years, HKBN has invested heavily in international and local bandwidth and our present 1Gbps DIA service is unsurpassed in security, availability and technical support services."*

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About City Telecom/ Hong Kong Broadband Network Limited

Established in 1992, City Telecom (H.K.) Limited (HKEX: 1137, NASDAQ: CTEL) provides integrated telecommunications services in Hong Kong via its own self-built fiber network. City Telecom's wholly-owned subsidiary, Hong Kong Broadband Network Limited (HKBN), is the fastest growing broadband service provider in Hong Kong. HKBN offers a diversified portfolio of innovative products that service over 1,110,000 subscriptions for broadband, local telephony and IP-TV. The Company has built a solid market position with top-of-the-line applications and practices enabling its substantial growth. The company takes great pride in developing its around 3,000 Talent force into a competitive advantage. Additional information on can be found at www.ctigroup.com.hk.

About InterContinental Grand Stanford Hong Kong

InterContinental Grand Stanford Hong Kong is a five-star hotel that offers breathtaking views of Hong Kong's Victoria Harbour. The hotel features 579 luxuriously appointed rooms and suites and the finest selection of world-class dining outlets from authentic Italian to contemporary International buffet and Michelin-starred Cantonese cuisine. The state-of-the-art meeting facilities in a comfortable and stylish setting are complemented by a fully equipped Business Centre. Located within easy reach of the world-famous Star Ferry and the Mass Transit Railway (MTR), the award-winning InterContinental Grand Stanford Hong Kong offers refined service and facilities for the savvy business and leisure travellers.

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InterContinental Grand Stanford Hong Kong Leverages HKBN's Gigabit Internet Service to Enhance 5-Star Service

The InterContinental Grand Stanford Hong Kong, one of the city's leading five-star luxury hotels, is the first to install Hong Kong Broadband Network's 1Gbps DIA (Dedicated Internet Access) service. The new service has greatly enhanced the Internet and multimedia facilities offered by the hotel and increased guest satisfaction.



InterContinental Grand Stanford Hong Kong's Mr Sunny Li (left) HKBN's Mr John Chong (right)

Situated in the shopping, business and entertainment district of Tsim Sha Tsui East, the InterContinental Grand Stanford Hong Kong is a prestigious building right on the waterfront of Hong Kong's magnificent Victoria Harbor. The hotel celebrates its 30th anniversary

this year, has an enviable reputation as a luxury venue for both business functions and tourism, hosting guests from all over the world.

Before the Internet upgrade, the hotel, like many top Hong Kong hotels, had modest Internet bandwidth of 25Mbps across the whole hotel. "We've seen a remarkable trend towards intensive use of more wireless devices such as iPhones, iPads and Android devices, along with business laptops, and they all need high speed Internet connections," said Sunny Li, Director of I.T. at InterContinental Grand Stanford Hong Kong. "In addition, today's guests spend more time on surfing the Internet rather than watching TV. Consequently, some users had expressed disappointment about the slow response of the old service, and I decided to do something about it."

Bandwidth boost

In his search for a solution, Li approached some large Internet service providers in Hong Kong during the early part of 2010.

But surprisingly, only one was able to provide a 1Gbps connection to hotel premises at that time. "I wanted the best service possible for the hotel," said Li. "Hong Kong Broadband Network was the only supplier who was able to install it and came up with a plan."

In its previous setup, the hotel had depended on multiple Internet service providers to guarantee service availability. It was determined that having a more consolidated network was the best model. Li decided at this point that the availability of the 1Gbps service should be guaranteed by the laying of dual fiber cables to the hotel, from both the east and west sides. By March 2010, a contract was signed with

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– Sunny Li

InterContinental Grand Stanford
Hong Kong

HKBN to implement the project.

HKBN's Managing Director of Corporate Division, John Chong, commented on the project: "Over the last 12 years, HKBN has invested heavily in international and local bandwidth and our present 1Gbps DIA service is unsurpassed in security, availability and technical support services. The InterContinental Grand Stanford Hong Kong is the city's first five-star hotel to adopt our 1Gbps DIA service and we are proud to have been chosen as its Internet service provider."

Zero-disruption deployment

Before the implementation could be complete, it was found that the existing 25Mbps Internet service would soon

expire, and Li preferred not to commit to another contract period. "In May 2010, HKBN provided us promptly with a temporary 100Mbps service line to tide us over until the new fiber was installed, thus saving the cost of renewing the existing contract," said Li.

For the new network service to be implemented, HKBN had to dig up part of the road to lay the 1Gbps fiber connections directly to the hotel. There were inevitable delays caused by obtaining permits from the authorities concerned. Street excavation is always noisy and HKBN was provided with convenient time slots to conduct this operation.

Despite this issue and other implementation challenges that arose during the whole process, the problems were all expertly handled and resolved by HKBN.

"HKBN was flexible enough to ensure that disruption was minimal and that the needs of guests were a priority when installing the equipment," said Li.

range of devices and methods given the flexibility and capacity of the new network service which has enabled a host of new guest services.

"For example, previously we saw that in-room movie viewing was quite popular, but changing habits have caused this demand to decline in favor of web surfing and alternative media such as YouTube, online movies, TV, music, drama and news channels," said Li. "It is therefore essential that we meet guest expectations and the 1Gbps service provides the tools to do that. In



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HKBN**

Li had praise for the implementation team, led by HKBN project manager, Martin Kan. "Overall, the new service has simplified our broadband network diagram and made it easier to manage, especially as we have one contact point for all support services. Martin was an excellent contact point during implementation, able to interpret highly specialized engineering aspects of the high-bandwidth network in terms we could relate to our service requirements," said Li. "We feel HKBN is more than able to support the Internet service to a high standard. In fact, we found the service to be perfect since installation." The project was completed within eight months of the start, going online in December 2010.

5-star web experience

In addition to guests, the high-speed Internet service upgrade was allocated to management functions, including the Business Center, Function Rooms and as a result, usage has greatly increased.

Guests can now access the Internet via a

contrast to the criticism that we previously received about Internet services, we now get positive feedback praising the smooth, fast response of our Internet service."

Another advantage of higher bandwidth is that online booking of air tickets inside the hotel is faster and easier. "We often get block bookings for events and if many of the participants originate from the same place, they are likely to use a lot of bandwidth between the hotel and that destination," said Li. "We can now ask HKBN to provide extra bandwidth to those specific destinations by appropriate configuration of the network connections at short notice."

Raising service levels

On the corporate side of the hotel's services, previously when business clients wanted to use broadband services for events, the IT department had to arrange dedicated Internet feeds on inefficient and costly short-term contracts.

Now the new broadband service supports for high speed connections to a variety of

equipment in all function rooms.

The hotel also has WiFi access points in all the function rooms, guest rooms and the lobby, but the bandwidth and coverage can still be improved. "We forecast there will be even wider proliferation of wireless devices, which may lead to insufficient bandwidth in the near future," said Li. "To enhance the service further we may need to modify access points so as to ensure the coverage is optimized. I am working with HKBN on this."

Li observed that the Internet is now so much an accepted part of life in up-market hotels that the InterContinental Grand Stanford Hong Kong management is considering providing it as part of the room package for priority guests, without any special charges and in line with market trend.

"Overall we are very satisfied with the 1Gbps Internet service. HKBN has provided us with state-of-the-art Internet connectivity. Their implementation has been efficient and their disciplined operation in the street excavation necessary for exterior installation has enabled us to minimize disruption to our guests. HKBN's infrastructure has so far proven very reliable and the engineering team has been very responsive to our needs for technical support."